



**Fw: SITE REFERRAL: ESI Environmental Inc. (Ecological Systems Inc.)  
INR000022335, Marion County, Indianapolis, IN  
VERNETA SIMON to: Gordon Clarke**

09/29/2010 10:35 AM

Please add the below e-mail to the ESI Administrative Record Index, ASAP.

----- Forwarded by VERNETA SIMON/R5/USEPA/US on 09/29/2010 10:34 AM -----

From: Charles Gebien/R5/USEPA/US  
To: "ATKINSON, HARRY" <HATKINSO@idem.IN.gov>  
Cc: VERNETA SIMON/R5/USEPA/US@EPA, Linda Nachowicz/R5/USEPA/US@EPA, Jason  
EI-Zein/R5/USEPA/US@EPA, Anton Martig/R5/USEPA/US@EPA, Mark  
Durno/R5/USEPA/US@EPA, William Messenger@EPA, Beverly Kush@EPA  
Date: 08/24/2010 04:57 PM  
Subject: Re: SITE REFERRAL: ESI Environmental Inc. (Ecological Systems Inc.) INR000022335, Marion  
County, Indianapolis, IN

Harry:

As we recently discussed, I am assigning OSC Verneta Simon to review the subject site for a removal action. I also spoke to Bill Messenger to assign an enforcement specialist and attorney to look at the bankruptcy issues in a short time-frame. We will keep you and Ken informed of our progress. I understand that there are also PCB contamination concerns at the site that Anton Martig from our LCD Toxics Section is involved in. I am copying Anton on this email.

Charles Gebien  
Chief Emergency Response Section 4  
United States Environmental Protection Agency  
77 West Jackson Blvd. (SE-5J)  
Chicago, IL 60604  
(312) 353-7645

"ATKINSON, HARRY" IDEM is requesting EPA's assistance in con...

08/24/2010 04:06:31 PM

From: "ATKINSON, HARRY" <HATKINSO@idem.IN.gov>  
To: Charles Gebien/R5/USEPA/US@EPA  
Cc: "PARSONS, LEE" <LPARSONS@idem.IN.gov>, "CRAWFORD, JOHN"  
<JCRAWFOR@idem.IN.gov>, "McDaniel, Ken" <KMCDANIE@idem.IN.gov>, "Dorsey, Peggy"  
<PDorsey@idem.IN.gov>, "OERTEL, BRUCE" <BOERTEL@idem.IN.gov>, VERNETA  
SIMON/R5/USEPA/US@EPA, "Junk, Tim J." <Tim.Junk@atg.in.gov>, "SICKELS, MIKE"  
<MSICKELS@idem.IN.gov>, "Hess, Catherine" <CHESS@idem.IN.gov>  
Date: 08/24/2010 04:06 PM  
Subject: SITE REFERRAL: ESI Environmental Inc. (Ecological Systems Inc.) INR000022335, Marion  
County, Indianapolis, IN

IDEM is requesting EPA's assistance in conducting a removal action of the ESI Environmental (ESI) CWT/Used Oil Recycling facility located @ 4910 West 86<sup>th</sup> Street, Indianapolis, Indiana. This site is located on the northwest side of Indianapolis, consisting of 8.2 acres. ESI started operating @ this site 1999, the facility includes a wastewater treatment plant, a sludge treatment building, a sludge treatment process (ASP), an oil dehydration process and a truck off-loading building. ESI processes non-hazardous liquid waste streams originating from manufacturing companies and other commercial and industrial operations, delivered in bulk via truck or rail. These waste streams include emulsified oily waters, petroleum materials, inorganic coagulants, adhesives, and coatings.

EPA Region 5 Records Ctr.



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On Monday, August 16<sup>th</sup>, representatives from ESI meet with IDEM staff to discuss the future operations of the facility, during the meeting IDEM was informed that the company had made the decision to permanently shutdown the facility and proceed in filing Chapter 7. ESI presented a closure plan to IDEM (see attachment), unfortunately due to the company's limited financial resources the closure plan has a very limited scope, which in the end will result in a very large volume of waste being on-site after ESI vacates the facility.

For additional information, the current ESI contact is Tom Gawlik @ 317-874-0074, for IDEM contact Ken McDaniel @ 317-691-6370 or Lee Parsons @ 317-234-6935. Please contact me if you have any questions regarding this request.

Sincerely,

Harry Atkinson, Chief  
State Cleanup Section  
Remediation Service Branch, IDEM  
317-234-0347

**From:** ATKINSON, HARRY  
**Sent:** Friday, August 20, 2010 7:44 AM  
**To:** Gebien.Charles@epamail.epa.gov  
**Subject:** ESI Environmental Inc. (Ecological Systems Inc.), Marion County, Indianapolis, IN

FYI - After we spoke our AG dropped by to inform me that U.S. Attorney Steven DeBrotta is apparently involved. I'll give you a call tomorrow to discuss this further.

February 26, 2010

## Feds charge two men accused of ordering workers to flush contaminated water

**NEW STORY:** From Saturday's paper, Pollution probe focuses on waste treatment company. The two men charged yesterday also have signed plea agreements and are cooperating, suggesting there may be others under investigation.

**UPDATED (5:30 p.m.):** Statement from a lawyer for ESI Environmental added below.

**2:45 p.m.**

A waste treatment facility operated by Ecological Systems Inc. on Indianapolis' Northwestside is the focus of criminal charges filed today by the U.S. attorney's office. A news release from the office says that just over a year ago, on Feb. 11, 2009, managers directed lower-level employees to pump a tank containing oil, wastewater and other materials and flush the untreated water directly into the Indianapolis sewer system. This would have violated ESI's wastewater permit, which called for the company to treat any discharged water, according to charging documents. Federal prosecutors charged two managers -- Michael R. Milem, 60, Westfield, and Mark R. Snow, 43, Brazil, Ind. -- with violating the Clean Water Act. Others may have been involved in the decision, according to the release, but were not charged. Milem was the operations manager and later was promoted to plant operations director. Snow was the laboratory manager.

If convicted, according to prosecutors, each man could face up to three years in prison and a maximum \$250,000 fine.

What prompted the company to flush about 300,000 gallons of untreated wastewater over eight hours, as prosecutors allege? ESI takes in used oil, oily wastewater and other liquid wastes from clients at the treatment facility, 4910 W. 86th St., and then treats the water before disposing of it. Charging documents say that there was

heavy rain on that February day, and ESI wanted to accommodate new truckloads of waste by clearing out the tank as stormwater collected on the site.

The discharge "caused an oily sludge-like substance to flow out of various sewer manholes and into the yards of several Indianapolis residents," the documents say. Complaints from residents sparked an investigation by the Indiana Department of Environmental Management.

During the investigation, the charging documents say, Milem and Snow were among company officials who falsely insisted to IDEM inspectors the following day that there had been no "bypass event." The U.S. attorney's office also alleges that Snow regularly submitted falsified monitoring reports to the city, at the direction of an unnamed corporate officer, and ESI misrepresented its available waste storage capacity in its tanks to regulators.

ESI, also known as ESI Environmental, issued a statement through Indianapolis attorney Larry Mackey: "We are disappointed with today's news of criminal charges against our employees. ESI's core business is the protection of our environment and any failing is unacceptable. We have cooperated fully with the EPA throughout their investigation and will continue to do so. ESI remains committed to servicing our customers as together we work to dispose of industrial waste in the safest and most environmentally positive way possible."

FOR IMMEDIATE RELEASE CONTACT: MARY BIPPUS

Friday, February 26, 2010 (317) 229-2403

<http://www.usdoj.gov/usao/ins/mary.bippus@usdoj.gov>

## **OPERATIONS MANAGER AND LAB MANAGER OF ECOLOGICAL SYSTEMS, INC. (ESI) CHARGED WITH VIOLATING THE CLEAN WATER ACT**

### **PRESS RELEASE**

INDIANAPOLIS – Michael R. Milem, 60, Westfield, Ind., and Mark R. Snow, 43, Brazil, Ind., were charged today with violating the Federal Clean Water Act. The charges arise from an ongoing criminal investigation by the U.S. Environmental Protection Agency Criminal Investigation Division, the Indiana Department of Environmental Management (IDEM), and the Indiana Department of Natural Resources, Law Enforcement Division.

The charging documents filed with the Court allege that, in February of 2009, Michael R. Milem was the Operations Manager and Mark R. Snow was the Laboratory Manager of Ecological Systems, Inc. (ESI), a company operating a Centralized Waste Treatment facility located at 4910 West 86th Street, in Indianapolis, Indiana. ESI reclaimed and re-processed used oil and oily wastewater, in addition to other liquid wastes. As a major part of its business, ESI received a wide variety of wastes by truck or rail from a number of industrial facilities, who relied on and paid ESI for the proper treatment and disposal of such wastes. Some wastes received included used oil, lubricants, coolants, oil-water emulsions, contaminated groundwater, used petroleum products, off-specification fuel, oil spill cleanup liquid, sanitary landfill leachate, etc. ESI was to treat these wastes to remove oil, solids and other pollutants prior to discharging the wastewater into the municipal sewer system under a permit issued by the City of Indianapolis' Department of Public Works.

The charging documents further allege that, on February 11, 2009, Milem, Snow and others directed lower-level employees to pump the contents of a tank containing wastewater, oil, and other waste materials through hoses that discharged the wastewater directly, without the benefit of treatment, into the sewer system.

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Subsequently, oily wastewater flowed out of various sewer manholes and into the yards of several Indianapolis residents. When asked by an IDEM inspector about any by-passes at ESI, Milem and Snow allegedly advised the inspector there had not been a by-pass, knowing, in fact, there had been.

According to Assistant U.S. Attorney Gayle L. Helart, who is prosecuting the case for the

government, Milem and Snow each face a maximum of three years imprisonment. In addition, Milem and Snow each face a maximum fine of \$250,000. An initial hearing will be scheduled before a Magistrate Judge in Indianapolis.

**An Information is only a charge and is not evidence of guilt. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.**

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20100226.Snow.[attachment "ESI Proposed Partial Closure Plan" deleted by Charles Gebien/R5/USEPA/US]